

OFFICIAL COPY

Fresno, California

May 11, 1999

The City Council met in joint session with the Redevelopment Agency at the hour of 8:43 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Tom Boyajian	Councilmember
	Garry Bredefeld	Councilmember
	Chris Mathys	Acting President
	Henry Perea	Councilmember
	Sal Quintero	Councilmember (arrived later/attended funeral)
	Dan Ronquillo	Councilmember
	Ken Steitz	Council President

Jeff Reid, City Manager
Dan Fitzpatrick, Agency Executive Director
Hilda Cantu Montoy, City Attorney
Rebecca Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

(8:30 A.M.) JOINT MEETING WITH THE REDEVELOPMENT AGENCY)

APPROVE AGENCY MINUTES OF MAY 4, 1999)

On motion of Councilmember Perea, seconded by Acting President Mathys, duly carried, RESOLVED, the Agency minutes of May 4, 1999, approved as submitted.

AGENCY GENERAL ADMINISTRATION:

(“A”) JOINT COUNCIL AND AGENCY RESOLUTION NO. 99-118 AND 1531 -)
MAKING CERTAIN FINDINGS PURSUANT TO SECTION 33445 OF THE)
COMMUNITY REDEVELOPMENT LAW AND AUTHORIZING THE INSTAL-)
LATION OF PUBLIC IMPROVEMENTS AND LANDSCAPING IN THE CHINA-)
TOWN EXPANDED REDEVELOPMENT PROJECT AREA)
1. AWARD A CONTRACT FOR IMPROVEMENTS AND LANDSCAPING AT)
THE INTERSECTIONS OF TULARE AND “E”, TULARE AND “G”, KERN AND)
“E”, AND KERN AND “G” STREETS)

Redevelopment Administrator Murphey reviewed the staff report as submitted, and Chair Ronquillo and Acting President Mathys commended and thanked the Agency and staff stating the improvements were long overdue and would encourage business to locate in the area.

On motion of Chair Ronquillo, seconded by President Steitz, duly carried, RESOLVED, the above entitled Joint Council/Agency Resolution No. 99-118/1531 hereby adopted; and a contract awarded to American Paving in the amount of \$169,444.50 to construct concrete, paving and landscaping improvements at the intersections of Tulare and “E”, Tulare and “G”, Kern and “E” and Kern and “G” Streets, by the following vote:

Ayes : Boyajian, Bredefeld, Mathys, Perea, Steitz, Ronquillo
Noes : None
Absent : Quintero

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The joint bodies adjourned at 8:47 a.m. and the City Council convened in regular session at the hour of 9:06 a.m.

Reverend Dr. David Trask, First Congregational Church, gave the invocation.

City Manager Reid led the Pledge of Allegiance to the Flag. Councilmember Quintero arrived at 9:09 a.m.

- PRESENTATION OF CERTIFICATES OF COMMENDATION TO KASTNER)
INTERMEDIATE SCHOOL AND CLOVIS WEST HIGH SCHOOL, 1999)
CALIFORNIA DISTINGUISHED SCHOOL AWARD RECIPIENTS - COUNCIL-)
MEMBER BREDEFELD)
- PROCLAMATION OF “MANCO ABBOTT, INC., CERTIFIED WATER AWARE)
COMPANY” - COUNCILMEMBER QUINTERO)
- PROCLAMATION OF “DOWNTOWN ASSOCIATION OF FRESNO DAY” -)
COUNCILMEMBER RONQUILLO)
- COMMENDATION TO LINDA DIEBERT, TEACHER OF THE YEAR)
RECIPIENT - ACTING PRESIDENT MATHYS)
- COMMENDATION TO FIG GARDEN BASKETBALL CHAMPIONS - ACTING)
PRESIDENT MATHYS)
- PROCLAMATION OF “NATIONAL PEACE OFFICERS’ MEMORIAL WEEK”)
- PROCLAMATION COMMEMORATING THE “FRESNO COUNTY PEACE)
OFFICERS’ MEMORIAL - COUNCILMEMBER PEREA)
- PROCLAMATION OF “HUMAN AWARENESS MONTH” - COUNCILMEMBER)
BOYAJIAN (2 - 0))

The above proclamations and commendations read and presented.

PRESENTATION OF "PRIDE TEAM CERTIFICATES FOR SPRING QUARTER)
(RECEPTION FOLLOWING, 2ND FLOOR FOYER))

Certificates of Appreciation were presented to: Johnna Morales, Administrative Services (U B & C); Randall Scot Sheldon, Airports; Robert Holman, City Clerk/City Council/City Manager; Greg Brown, Convention Center; Ed Besoyan and Bob Lewis, Development; Walter R; Golden, Fire; Kim Bolte (Operations) and Arnold Napoles (Maintenance) Fresno Area Express; Su Fang, Housing & Neighborhood Revitalization; Douglas Claussen, Information Services; Joe Diaz, Parks & Recreation; Jeannette Brady, Lindsay Hughes and Nannette Ross, Police Department; Brock Bucke, Public Utilities; and Tim Heeley (Streets) and Ron Hernandez, (Traffic Engineering/Parking), Public Works Department.

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RECESS - 9:55 A.M. - 10:06 A.M.

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APPROVE MINUTES OF MAY 4, 1999)

The minutes of May 4, 1999, approved as submitted.

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APPROVE AGENDA:

ACKNOWLEDGMENT OF ACTING PRESIDENT MATHYS' EXPERIENCE)
IN A DUNK TANK AT NELSON ELEMENTARY SCHOOL - PRESIDENT)
STEITZ)

Acknowledgment made.

SET "UNSCHEDULED ORAL COMMUNICATIONS" FOR 3:00 P.M. THIS)
DATE FOR AN APPEARANCE BY SUPERVISOR OKEN RELATIVE TO THE)
CONVENTION AND VISITORS BUREAU - PRESIDENT STEITZ)

Set.

DIRECTION TO STAFF TO LIST ONLY ITEMS CALENDARED BY COUNCIL)
OR THE COUNCIL PRESIDENT ON THE AGENDA HEARING SCHEDULE -)
PRESIDENT STEITZ)

Direction made.

REVIEW OF BUDGET SCHEDULE AND TIMELINE - PRESIDENT STEITZ)
(DISCUSSED AGAIN LATER))

President Steitz announced the budget schedule, departments and dates, and advised adoption of the budget was set for June 1st. Acting President Mathys noted last year Mayor Patterson presented the budget on a Council meeting date and questioned the will of the Council for this year.

A motion and second to have the budget presented on a Council meeting date was made, with President Steitz stating a Council motion would make no difference and explained. Brief discussion ensued and Acting President Mathys requested a ruling on the motion from the City Attorney.

City Clerk Klisch advised CDBG and the Redevelopment Agency budget sessions had not been scheduled and recommended CDBG be heard with Housing and Neighborhood Revitalization, with President Steitz stating it would be up to the Agency to schedule their budget date. City Attorney Montoy read a section from the Charter relative to setting budget dates and hearings. Acting President Mathys clarified his request stating it would better accommodate those Councilmembers who work in the private sector, with President Steitz stating he would take the blame for scheduling the presentation on Thursday, May 13th noting he wanted Council to have it as early as possible in order to deliberate it with as much time as possible. Discussed again later.

(11:00 A.M.) APPEARANCE BY THE FRESNO WORKFORCE DEVELOPMENT BOARD TO RESPOND TO COUNCIL QUESTIONS REGARDING RETURN OF FEDERAL TITLE III FUNDS AND JTPA STATE EDUCATION COORDINATION GRANT (SECG) FUNDS - COUNCILMEMBER RONQUILLO)

Councilmember Perea advised all board members would be present for the issue and questioned the timeline noting Council had other timed commitments, with President Steitz stating Council would stay with the set schedule at this point.

(7A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (a) - CASE NAME:)
1. RIVER PARK PROPERTIES V. CITIES OF FRESNO AND CLOVIS)
a. RELATED CASE: ROBERT J. ROSATI, V. CITIES OF FRESNO AND CLOVIS)

Laid over one week at the direction of the City Attorney.

PRESENTATION OF THE MAYOR'S BUDGET - COUNCILMEMBER BREDEFELD (CONTINUED FROM EARLIER))

Councilmember Bredefeld stated he concurred with Acting President Mathys and supported the budget being presented on May 18th, a regular Council meeting day, and requested the Council President to relay the request to the Mayor to accommodate Council. Upon question of President Steitz as to the will of the Council, Council consented to the May 18th date whereupon President Steitz stated he would relay request to the Mayor.

BIRTHDAY AND GET-WELL WISHES EXTENDED TO CITY EMPLOYEES SHARON HARRIS, HUMAN RESOURCES, AND MR. YATES, WHO WAS INVOLVED IN A MOTORCYCLE ACCIDENT - COUNCILMEMBER QUINTERO)

Wishes extended.

TIMELINE TO APPROVE THE BUDGET - COUNCILMEMBER RONQUILLO)

Councilmember Ronquillo noted the June 1st date to approve the budget fell on a Council holiday, with President Steitz stating the budget would be introduced on May 18th and could be approved a week later on the 25th, adding the date would be confirmed later.

(11:30 A.M.) CONTINUED HEARING ON REZONING APPLICATION NO.)
R-99-002, FILED BY JAMES LOGAN ON BEHALF OF LAND DYNAMICS,)
PROPERTY LOCATED NORTHWEST OF W. BARSTOW AVENUE AND)
FREEWAY 99 (CONTINUE TO 2:15 P.M. THIS DATE))

Continued to 2:15 p.m.

On motion of Councilmember Perea, seconded by Acting President Mathys, duly carried, RESOLVED, the **AGENDA** hereby approved, by the following vote:

Ayes : Boyajian, Bredefeld, Mathys, Perea, Quintero, Ronquillo, Steitz
Noes : None
Absent : None

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ADOPT CONSENT CALENDAR:

(1A-1) ***RESOLUTION NO. 99-119** - 88TH AMENDMENT TO AAR 98-159 APPRO-)
PRIATING \$42,200 FOR EXPENDITURES RELATED TO ASSESSMENT DIS-)
TRICT NO. 133)

(1A-2) **RESOLUTION NO. 99-120** - AUTHORIZING THE CITY MANAGER TO)
EXECUTE DEED DOCUMENTS GRANTING CERTAIN CITY-OWNED)
PROPERTY IN THE SAN JOAQUIN RIVER BOTTOM TO THE FRESNO METRO-)
POLITAN FLOOD CONTROL DISTRICT)

(1A-3) ***RESOLUTION NO. 99-121** - 14TH AMENDMENT TO SALARY RES.)
98-161 AMENDING THE SALARY RANGES OF THREE CLASSES (FIRE)
PREVENTION INSPECTOR I AND II AND SENIOR FIRE INSPECTOR) AND)
CREATING ONE NEW CLASS (SUPERVISING FIRE PREVENTION INSPECTOR))

On motion of Councilmember Perea, seconded by Acting President Mathys , duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes : Boyajian, Bredefeld, Mathys, Perea, Quintero, Ronquillo, Steitz
Noes : None
Absent : None

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(9:30 A.M.) HEARING ON REZONING APPLICATION NO. 99-11, FILED BY)
MARY ELLEN ELDRIDGE, PROPERTY LOCATED ON THE NORTHEAST)
SIDE OF "N" STREET BETWEEN CALAVERAS AND STANISLAUS STREETS)
1. BILL NO. B-35 - ORDINANCE NO. 99-32 - AMENDING THE OFFICIAL)
ZONE MAP T REZONE FROM C-P TO P)

President Steitz announced the time had arrived to consider the issue and opened the hearing.

Upon call, no one wished to be heard and President Steitz closed the hearing.

On motion of Councilmember Ronquillo, seconded by Councilmember Perea, duly carried, RESOLVED, the above entitled Bill No. B-35 reclassifying the subject property from C-P to P hereby adopted as Ordinance No. 99-32, subject to the condition that a ten foot landscaped setback be developed along "N" Street and that the City's fifty percent parking lot shading policy apply, by the following vote:

Ayes	:	Boyajian, Bredefeld, Mathys, Perea, Quintero, Ronquillo, Steitz
Noes	:	None
Absent	:	None

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(10:00 A.M.) CONSIDER MATTERS RELATING TO A MULTIPURPOSE)
DOWNTOWN STADIUM:)
1. DISCUSSION/DIRECTION REGARDING PUBLIC MODELS FOR)
CONSTRUCTION OF A MULTIPURPOSE STADIUM)
2. DISCUSSION/DIRECTION REGARDING NEGOTIATIONS WITH THE)
FRESNO DIAMOND GROUP (FDG) FOR CONSTRUCTION OF A MULTI-)
PURPOSE STADIUM - CITY ATTORNEY)
3. DIRECT CITY ATTORNEY TO REQUIRED THE FRESNO DIAMOND)
GROUP TO MAKE PUBLIC BY MAY 15, 1999, ALL FINANCIAL INFOR-)
MATION AND TAX RECORDS ANY ORDINARY CITIZEN WOULD HAVE)
TO PROVIDE TO QUALIFY FOR A LOAN - ACTING PRESIDENT MATHYS)
4. DIRECT CITY ATTORNEY TO PREPARE A BALLOT MEASURE FOR)
THE CITY OF FRESNO TO CONSTRUCT A PUBLIC MODEL STADIUM -)
ACTING PRESIDENT MATHYS)

Jack Emerian, representing the Fresno Diamond Group (FDG), spoke in support the proposal on the table; noted the public was confused and uninformed due to stadium opponents and explained; addressed the public-model stadium stating it needed to be dispensed of once and for all and emphasized the FDG was not interested in it; clarified the blockage issue emphasizing it was not an issue at all and needed to be dealt with this date; submitted and used the overhead to display a fact sheet on the "1998 Economic Impact of the Fresno Grizzlies", a copy of which is on file in the office of the City Clerk; and urged Council's unanimous support of the proposal emphasizing it met all the criteria and the City's commitment would be paid back.

Speaking to the issue were: Gus Zernial, 687 Coventry, Clovis, support for the stadium proposal; Thomas Kinder, 518 E. Fremont, support, who also gave Council, the City Manager and the Mayor Grizzly foul balls he collected; Art Mullaly, 331 S. Dearing, **(3 - 0)** opposed to utilizing taxpayer funds and suggested soccer as a major use for the stadium; Larry Willey, support; Ken Johnson, 2011 Fresno Street #102, Owner Minuteman Press, support; Jonathan Aroz, 4445 E. Pine, support for stadium/opposed to utilizing taxpayer funds; Jerry Cook, Fresno Business Council, support, who also clarified benefits for the City with the proposal; and Ron MacConnell, 4745 N. Ila, Manager, Double Tree Inn, support.

Continuing were: Conrad Nilmeier, 3515 W. Magill, support; Victoria Gonzales, Downtown Association, 2014 Tulare Street, support; Tom Estes, 34 E. Garland, Building and Construction Trades Council, support; Dennis Woods, President, United Security Bank, 2155 W. Shaw, support; Ermenia (Mina) Olgin, 5773 E. Belgravia, support; Michael Kelton, 7353 N. Brooks, support **(4 - 0)**; Stebbins Dean, Executive Director, Chamber of Commerce, 1649 N. Van Ness, support; and Richard Johanson, Fresno Business Council, support.

Upon call, no one else wished to be heard and President Steitz closed the public testimony portion of the issue.

Noting a Council commitment for noon at the Courthouse for the unveiling of the Peace Officer's Memorial, President Steitz questioned the will of the Council on whether to proceed or recess for lunch. Acting President Mathys stated his support for concluding the issue noting the number of people who were in attendance.

On motion of Councilmember Perea, seconded by Councilmember Boyajian, duly carried, RESOLVED, a lunch recess approved and Council to return and continue deliberations on the subject issue at 1:00 p.m., by the following vote:

Ayes	:	Boyajian, Bredefeld, Perea, Quintero, Ronquillo
Noes	:	Mathys, Steitz
Absent	:	None

President Steitz advised the Workforce Development Board issue would be held at 2:00 p.m.

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LUNCH RECESS - 11:40 A.M. - 1:34 P.M.

(10:00 A.M.) CONSIDER MATTERS RELATING TO A MULTIPURPOSE)
DOWNTOWN STADIUM - *CONTINUED FROM EARLIER*)

City Attorney Montoy reviewed the background and status of the issue; noted outside counsel Mr. Kane and Mr. Morgan were present to clarify issues and answer questions; advised an important issue that got clarified yesterday was the City viewed itself in the transaction as the junior creditor while ACA viewed the City as a pure grantor stating both positions were reasonable and explained; noted a Questions & Answers (Q & A) sheet had been distributed on how subordination worked, kinds of default, and how default could be triggered; and deferred to Mr. Kane for further information.

fruitful; stated he felt the real critical question was not really blockage but what the City was -- a grantor (or preferred equity stakeholder), or a lender expecting to get repaid if the transaction went poorly; clarified in product financing with a deeply subordinated debt holder, a senior lender would request, and generally get, a lengthier permanent blockage period; and reiterated and requested direction this date on whether the City was "equity" or "debt" which would determine how to negotiate the issue and determine which side was more reasonable.

President Steitz explained the background of the issue and how it got to this point; clarified at issue was the 5-year blockage noting Council supported 270 days; emphasized the City had done everything possible to move the December 1st deal forward; stated Council wanted to see a downtown stadium built; and stressed a determination needed to be made this date on whether to change the decision on the blockage, or stay with the 270-day blockage and move forward with a public model. Upon question of President Steitz, Mr. Emerian stated if Council approved a publicly-owned model on a 7-0 vote, if the deal did not change and made economic sense to both parties, and if it was guaranteed the Grizzlies would play in April 2001, the Diamond Group would support a public model but not with a public vote.

President Steitz, Mr. Kane, Carl Motschieder, Attorney for the Diamond Group, and Ms. Montoy responded to questions of Acting President Mathys relative to prior presentation of a public model, if blockage was the only open issue, other open issues prior to drafting and subsequently issuing bond documents, benefit of sending a letter to ACA relative to acceptance of the 5-year blockage, process and timeline of the City and ACA after all issues are resolved, and making the request for financial information now or later.

Councilmember Ronquillo stated the issue was complicated and explained; noted a system was now in place wherein the City would be repaid its \$8.5 million contribution; commented on benefits of the proposal and on the substantial revenues and economic impact of the Grizzlies (**5 - 0**); and stressed based on the benefits and revenues to be derived and with guarantees in place, he would support the Diamond Group's proposal, and made a motion to approve the 5-year blockage, which was seconded by Councilmember Boyajian and acted upon later in the meeting.

Councilmember Bredefeld recognized and welcomed Congressman Krebs; noted it was clear a Council majority wanted a stadium and stated unfair comments were made about Council by Diamond Group reps; stressed a public vote was not needed citing other private projects that did not go before the voters; commented on the proposal clarifying the City would be investing more money than anyone else involved in the transaction and the City just wanted to protect their interests adding everyone else was protected; stated blockage was not necessary citing the Q & A; noted the City was being asked to accept a 5-year block which was unique and had not been done before; stated he would not support the proposal; commented on the "super 1st position" and protections to the City as outlined by Mr. Woods, and questioned why Mr. Woods, as head of United Security Bank, was not willing to commit funding. Mr. Woods responded (1) he had already made an unsecured line on signatures only to the Diamond Group, and (2) he did not have the legal lending limit to make credit of \$8.5 million, and noted the situation was different and explained the guarantees for the City. Upon further question of Councilmember Bredefeld as to how much Mr. Woods could loan, Mr. Woods stated in addition to his line of credit he would loan \$2 million unsecured and would partner with the City in the deal.

Councilmember Bredefeld stated he would make a substitute motion and discussion ensued on addressing the motion on the floor first, legality of making another motion, or amending the motion. Councilmember Bredefeld reiterated he would not support the 5-year blockage, recommended and presented an alternative financing plan using a graphic to illustrate, and made a substitute motion to reject the 5-year blockage and encourage the City Attorney to continue negotiations including consideration of his alternative plan which would call for *no* City bonds with parking revenues, property taxes and sales taxes committed back to the Diamond Group to insure its success. As Council President, President Steitz ruled the substitute motion out of order stating there would be two main motions on the floor, and brought the original motion back for consideration. Discussion ensued on including a timeline in the motion, being unable to meet the June 22nd deadline, and time needed to fine-tune final negotiations and prepare necessary documents. Upon question of Acting President Mathys, Ms. Montoy stated 60 days would be necessary if action was taken this date to approve the 5-year blockage and move forward.

Councilmember Boyajian commented on the issue stating a deal was made on December 1st and the Diamond Group was unfairly being blamed for not making or changing the deal; stated aspersions were being cast to the Diamond Group when they should be thanked citing their \$30 million investment to downtown by purchasing a baseball team; emphasized there was a deal and he was ready to make it; expressed his concern this Council could not make a deal and referenced the loss of Valley Children's Hospital; stated blockage was not a major issue; and stated everyone needed to work together, believe in the City, and make the stadium a reality.

Brief discussion ensued on ACA's position on the 5-year blockage and if the \$2 million from United Security would make any difference to ACA, with Mr. Kane and Mr. Motschieder responding to questions. Councilmember Perea stated he was optimistic ACA would still be open to talking; advised he was not ready to say yes or no adding it would be a mistake to vote up or down on the proposal this date; and stated staff should be directed to continue negotiations since there was now an April 2001 date.

A motion of Councilmember Ronquillo, seconded by Councilmember Boyajian, to accept the 5-year blockage period failed, by the following vote:

Ayes	:	Boyajian, Perea, Ronquillo
Noes	:	Bredefeld, Mathys, Quintero, Steitz
Absent	:	None

Councilmember Bredefeld made a motion to direct the City Attorney to continue negotiations including the parameters of his alternative financing plan and Mr Woods' commitment for \$2 million which would lower the City's contribution to \$6.5 million, which motion died for lack of a second.

Discussion ensued on continuing negotiations, giving further direction to the City Attorney for negotiation purposes, and staying with the June 22nd deadline. Councilmember Ronquillo directed a format be laid out similar to the negotiating team that finalized the Convention Center process, i.e. the City Manager, Agency Director and outside attorneys, and emphasized telephone conferences were not negotiations.

Councilmember Perea questioned what was needed to engage United Security Bank in the transaction, with Mr. Emerian stating the 5-year blockage issue was still an outstanding issue emphasizing it needed to be resolved first. Upon question of Acting President Mathys, Mr. Woods stated he would not commit the \$2 million without the blockage emphasizing he wanted the 5-year blockage.

Councilmember Boyajian made a motion, seconded by Councilmember Perea, to accept the 5-year blockage and United Security's commitment of \$2 million thereby lowering the City's commitment to be \$6.5 million, which was acted upon after additional discussion. **(6 - 0)**

Councilmember Bredefeld thanked Mr. Woods, stated he wanted to see the City's risk and obligation lowered to \$5 million, and questioned if Mr. Connelly was actively seeking more private investment, with Mr. Emerian responding Mr. Connelly was exploring some other options, and clarified at issue now was if the City would trade off \$2 million for the 5-year blockage. Upon further question, Mr. Emerian and Mr. Motschiedler stated if the 5-year blockage was accepted this date, they would move forward quickly clarifying just like the City Council, ACA would need to see the approved deal before preparing necessary documents. Upon question of Councilmember Quintero, Mr. Kane and Ms. Montoy stated the \$2 million contribution would definitely be helpful to the City from a financial standpoint. President Steitz stated he would oppose the motion as it was just muddling the situation.

A motion of Councilmember Perea, seconded by Acting President Mathys, to close debate and call for the question failed by a majority vote.

Mr. Kane and Mr. Morgan responded to questions of Councilmember Boyajian relative to the number of baseball transactions completed by their firm, difference with no deed of trust, blockage with 1st creditors and reasons therefore, what ACA would be insuring, ACA's worth and reputation for protecting their assets, risks of bankruptcy, and number of Triple A teams that have filed bankruptcy.

President Steitz reiterated the motion on the floor. Mr. Woods clarified the \$2 million would be a loan with details to be worked out between the Diamond Group and United Security Bank, and reiterated it would lessen the City's risk by 25%. Councilmember Bredefeld stated he would support the motion in light of the City's commitments to other private projects and because the City's risk would be reduced which was what he always wanted.

On motion of Acting President Mathys, seconded by Councilmember Perea, duly carried, RESOLVED, debate on the issue closed and an electronic vote called for and approved unanimously.

On motion of Councilmember Boyajian, seconded by Councilmember Perea, duly carried, RESOLVED, staff directed to continue negotiations, the 5-year blockage period hereby approved, and the City's financial contribution reduced from \$8.5 million to \$6.5 million with United Security's loan of \$2 million to the Fresno Diamond Group, by the following electronic vote:

Ayes	:	Boyajian, Bredefeld, Perea, Quintero, Ronquillo
Noes	:	Mathys, Steitz
Absent	:	None

Mr. Emerian stated he would come back with an answer soon regarding the bank loan and move forward accordingly, and thanked the Council.

A motion and second to postpone Item Nos. 1, 3 and 4 for 90 days was acted upon after a brief recess.

RECESS - 3:16 P.M. - 3:23 P.M. Councilmember Quintero arrived later.

Mathys requested the items come back on the June 22nd deadline, and commenting on #3 stating no matter what amount was loaned, financials should be obtained and he felt it was very relevant to receive that information.

A motion of Acting President Mathys, seconded by President Steitz, to amend the motion to postpone Items 1, 3 and 4 to June 22nd failed, by the following vote:

Ayes : Mathys, Steitz
Noes : Boyajian, Bredefeld, Perea, Ronquillo
Absent : Quintero

Councilmember Quintero returned at 3:36 p.m.

On motion of Councilmember Perea, seconded by Councilmember Bredefeld, duly carried, RESOLVED, Items 1, 3 and 4 postponed 90 days to August 17th, by the following vote:

Ayes : Boyajian, Bredefeld, Perea, Quintero, Ronquillo
Noes : Mathys, Steitz
Absent : None

President Steitz questioned if the June 22nd deadline was still in place to submit documents, with City Attorney Montoy and Councilmember Perea stating it was off due to the new deal approved and the April 2001 opening date.

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(11:00 A.M.) APPEARANCE BY THE FRESNO WORKFORCE DEVELOPMENT BOARD TO RESPOND TO COUNCIL QUESTIONS REGARDING RETURN OF FEDERAL TITLE III FUNDS AND JTPA STATE EDUCATION COORDINATION GRANT (SECG) FUNDS - COUNCILMEMBER RONQUILLO)
)
)
)

Councilmember Ronquillo began a review of the issue stating the return of federal funds was very distressful; stated there had been criticism by our congressman and other elected officials; and noted there had been a restructuring of the Board which may have contributed to the inability to utilize and spend the dollars. At this point, proceedings were interrupted to hear unscheduled oral communications which had been set for 3:00 p.m. earlier in the meeting.

UNSCHEDULED ORAL COMMUNICATIONS:

APPEARANCE BY COUNTY SUPERVISOR STAN OKEN REGARDING THE CONVENTION AND VISITOR’S BUREAU)
)

the Convention and Visitor's Bureau (CVB) was the agency in which many dollars were being invested and he felt they were not up to the challenge as they had not set goals or targets for their staff; stated statistics received by the CVB were misleading and untrue; emphasized changes needed to be made by the CVB in the way they conduct business and recommended 13 members of the CVB be appointed by the City and County, with the balance at large, and place conditions on next year's funding.

(7 - 0) Brief discussion ensued and it was the consensus of Council to discuss the issue further with the Convention Center budget on May 25th. Mr. Kennedy, CVB, stated he wanted to respond to the allegations made and consented to the May 25th date.

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(11:00 A.M.) APPEARANCE BY THE FRESNO WORKFORCE DEVELOPMENT BOARD TO RESPOND TO COUNCIL QUESTIONS - CONTINUED
FROM EARLIER

Councilmember Ronquillo continued stating with the high unemployment and welfare rates he was concerned and disappointed there wasn't an ability for the Workforce Development Board (WFDB) to utilize those desperately needed funds, and questioned how and why the \$3 million was returned.

Cindy Merzon, Chief Executive Officer, WFDB, responded stating there had been substantial organizational and financial changes; advised during the time the \$3 million was returned over \$68 million had been kept and expended; emphasized she was not happy with returning the funds; clarified all funds were contracted out and some contractors were unable to expend the funds as quickly as they needed to; and explained what the WFDB was doing to remedy the situation and added they were interested in the community's input and also needed additional service providers.

Ms. Merzon responded to questions of Councilmember Ronquillo relative to her experience with the Job Training Partnership Act (JTPA), process undertaken when she was hired, FY 98 & 99 funding of Title II Dislocated Program, amount of funds that were contracted out, when the funds were returned, normal practice of returning funds, Board sanction in returning funds, and conflicts of interest with service providers and the WFDB Executive Director and/or any board member.

Councilmember Perea requested Council submit all questions to him and he would work with the Board to obtain answers; commented on a meeting with Congressman Dooley stating the result was the same in that big concern was expressed that the WFDB was unable to execute; stated he was committed to reviewing the operation and system breakdown of the WFDB; and requested Council reevaluate their appointees on the Board and to give him time to work with Supervisor Arambula to conduct an audit.

Ms. Merzon responded to questions of Councilmembers Boyajian and Quintero relative to alternative to returning the funds, procurement process, eligibility criteria, using funds to bring employers to Fresno, number of board members, structural changes, restrictions for utilizing funds, the Summer Youth program, geographic boundaries for use of the funds, holding service providers accountable, and disbursement of funds.

Councilmember Ronquillo addressed his final comments to Councilmember Perea as the City rep on the Board, clarified he wanted enough programs in place, including back-up programs, to ensure every penny is spent, and urged

the Board to do what was necessary to have the expertise and leadership in place, beyond spending money, to guarantee a return of funds does not happen again emphasizing the WFDB had to be extremely pro-active.

Acting President Mathys stated he felt the dollars could have been expended had different criteria been in place; emphasized federal dollars were very restrictive and flexibility was needed; questioned what was needed to change the criteria; stated the blame rested with the federal government, and thanked the WFDB for their efforts, with Ms. Merzon responding to questions. President Steitz left the meeting at 4:36 p.m. and was absent for the remainder of the meeting.

Speaking to the issue were and expressing concerns were: Antonio Leal, Sanger (8 - 0); Gloria Hernandez; Marcelo Saucedo; and Chris Schneider, Central California Legal Services. Councilmember Ronquillo requested a listing of all service providers and there was no further discussion.

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- (2:15 P.M.) CONTINUED HEARING ON REZONING APPLICATION NO. R-99-002, FILED BY JAMES LOGAN ON BEHALF OF LAND DYNAMICS, FOR APPROXIMATELY 21.5 ACRES OF PROPERTY LOCATED NORTH-WEST OF W. BARSTOW AVENUE AND FREEWAY 99
1. BILL NO. B-36 - ORDINANCE NO. 99-33 - AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM AE-5/UGM TO R-2/UGM/CZ (ORIGINAL STAFF RECOMMENDATION)
2. BILL - AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM AE-5/UGM TO R-2/UGM/CZ (APPLICANT'S REQUEST)

Acting President Mathys announced the time had arrived to consider the issue and opened the hearing. Supervising Planner Beach reviewed the background of the issue and the staff report as submitted; advised the issues of Central Unified School District's concern with overcrowding and the Grantland dedication had been resolved; and recommended approval of staff's recommendation subject to (1) the understanding with Central Unified that deeds would be balanced out during the General Plan Update, and (2) the zoning contract with conditions. Additional wording for the zoning contract was submitted to Council for the record, a copy of which is on file in the office of the City Clerk.

A motion and second to approve staff's recommendation was acted upon after brief discussion, with City Manager Reid and Mr. Beach clarifying the difference in the situation since the last time the issue was brought before Council, and responding to Council questions relative to the nexus study to be conducted, conflict with the West Area Plan, establishing zoning for future planning north of Shaw for the benefit of area property owners, and traffic congestion problems and mitigation efforts. Councilmember Ronquillo withdrew his second to the motion which was then seconded by Councilmember Boyajian.

Upon call, no one wished to be heard and Acting President Mathys closed the hearing.

to the understanding with Central Unified School District that needs would be balanced out during the General Plan Update, and (2) the zoning contract with conditions, hereby adopted as Ordinance No. 99-32, by the following vote:

Ayes : Boyajian, Bredefeld, Perea, Quintero
Noes : Mathys, Ronquillo
Absent : Steitz

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(5A) REPORT ON STATUS OF REQUEST FOR PROPOSALS (RFP) FOR)
AUTOMATIC PAY TOILETS - ACTING PRESIDENT MATHYS)

Acting President Mathys advised he would not be pursuing the issue because after a search, it was found to be not economically viable for the City to purchase automatic toilets. Councilmember Ronquillo briefly commented on the restrooms that were recently refurbished and opened at the mall.

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(5B) *DIRECT CITY MANAGER OR HIS DESIGNEE TO REMOVE STOP)
SIGNS AT MARIPOSA AND GRIFFITH AVENUES - COUNCILMEMBER)
PEREA)

A motion and second to approve direction was made.

On motion of Councilmember Perea, seconded by Councilmember Bredefeld, duly carried, RESOLVED, staff directed to remove stop signs at Mariposa and Griffith Avenues, by the following vote:

Ayes : Boyajian, Bredefeld, Mathys, Perea, Quintero, Ronquillo
Noes : None
Absent : Steitz

City Manager Reid stated a warrant study may be conducted. Councilmember Bredefeld left the meeting at 5:05 p.m.

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(5C) REQUEST CITY MANAGER OR HIS DESIGNEE RETURN WITH A)
RESOLUTION APPROPRIATING \$1,000 FROM DISTRICT 7'S INFRA-)
STRUCTURE BUDGET FOR T.R.O.O. GAMERZ - COUNCILMEMBER)
PEREA)

133-281 **5/11/99**

On motion of Councilmember Perea, seconded by Councilmember Ronquillo, duly carried, RESOLVED, staff directed to return with a resolution appropriating \$1,000 from District 7's infrastructure budget for T.R.O.O. GAMERZ, by the following vote:

Ayes : Boyajian, Mathys, Perea, Quintero, Ronquillo
Noes : None
Absent : Bredefeld, Steitz

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CLOSED SESSION:

(7A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION -)
GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (a) - CASE NAME:)
2. HAGGIS V. CITY OF LOS ANGELES (AMICUS BRIEF))

The Council met in closed session in Room 2125 at the hour of 5:05 p.m. to consider the above issue and adjourned thereafter.

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ADJOURNMENT)

There being no further business to bring before the Council, the hour of 5:10 p.m. having arrived and hearing no objections, Acting President Mathys declared the meeting adjourned.

DATED this _____ day of _____ 1999.

Chris Mathys, Acting Council President

ATTEST: _____
Yolanda Salazar, Assistant City Clerk